

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



August 30, 2001

ALL-COUNTY INFORMATION NOTICE NO. I-71-01

TO: ALL COUNTY WELFARE DIRECTORS
ALL IHSS PROGRAM MANAGERS
ALL COUNTY FISCAL OFFICERS

REASON FOR THIS TRANSMITTAL

- ☒ State Law Change
- ☐ Federal Law or Regulation Change
- ☐ Court Order or Settlement Agreement
- ☐ Clarification Requested by One or More Counties
- ☐ Initiated by CDSS

SUBJECT: INCREASE IN THE STATE PARTICIPATION LIMIT FOR PUBLIC
AUTHORITY/NONPROFIT CONSORTIUM WAGES AND BENEFITS
FOR FISCAL YEAR (FY) 2001/02

REFERENCE: ACL 98-20, ACL 99-68, and ACIN I-102-00

The purpose of this All-County Information Notice (ACIN) is to provide information about Assembly Bill (AB) 429, (Chapter 111, Statutes of 2001) which provides for an increase in the maximum level of In-Home Supportive Services (IHSS) program provider wages and benefits eligible for State financial participation. This change is operative July 1, 2001 and applies only to counties with a Public Authority (PA) or Nonprofit Consortium (NPC).

AB 429, a social services Budget Trailer Bill, amended Welfare and Institutions Code (WIC) Section 12306.1(d)(2) to increase to \$9.10 the maximum total hourly cost for PA/NPC provider wages and health benefits in which the State will financially participate. This represents the State sharing in an additional \$1.00 per hour for wages and health benefits negotiated by a PA/NPC beginning July 1, 2001. The State will participate at its normal sharing ratio of 65% State, 35% county of the nonfederal share for the PA/NPC wages and benefits according to WIC Section 12306.1(c). State participation in the new maximum hourly level is allowed as long as wages reach at least \$7.50 per hour during the fiscal year.

In addition, AB 429 amended WIC Section 12306.1(f) to clarify the intent of the \$1.00 per hour limit in State participation in PA/NPC provider wages and benefits. As amended WIC Section 12306.1(f) now reads:

“(f) Any increase in overall state participation in wage and benefit increases under paragraphs (2) to (5), inclusive, of subdivision (d), shall

be limited to a wage and benefit increase of one dollar (\$1) per hour with respect to any fiscal year. With respect to actual changes in specific wages and health benefits negotiated through the collective bargaining process, the state shall participate in the costs, as approved in subdivision (c), up to the maximum levels as provided under paragraphs (2) to (5), inclusive, of subdivision (d)."

WIC Section 12306.1(f) limits the State's obligation to increase the maximum level of PA/NPC wages and benefits in which the State will financially share in any fiscal year to \$1.00 more than the last applicable maximum wage and benefit level established under WIC Section 12306.1 in which the State shared in the cost.

WIC Section 12306.1 does not impose any limit on the increase(s) in wages and/or benefits a PA/NPC may negotiate in any fiscal year, or the amount of the change from the existing IHSS provider wage level in a county and the initial wage and benefits levels negotiated by a new PA/NPC.

EXISTING PA/NPC COUNTIES

For existing Public Authority counties, the new maximum limit applies as described above. The \$1.00 increase can be used to raise the rate for wages, benefits, or both. However, the new State participation maximum is not available until a county's PA/NPC hourly wages reach at least \$7.50. Counties will need to submit an In-Home Supportive Services Public Authority/Nonprofit Consortium Rate, SOC 449, requesting State approval for any wage and benefit rate changes. Counties can refer to ACL 98-20, March 17, 1998 for instructions on completing the SOC 449.

NEW PA/NPC COUNTIES

For counties that will begin operating a PA/NPC in Fiscal Year 2001/02, the State will participate in the cost of wages and benefits up to the maximum limit in affect for the fiscal year in which the PA/NPC begins operation. For Fiscal Year 2001/02 the limit is \$9.10 for wages and benefits. The State continues to participate in other PA/NPC costs according to WIC Sections 12301.6 and 12301.7. The PA/NPC rate continues to be limited to 200% of California's minimum wage. Please refer to ACL 98-20, for instructions on submitting a PA/NPC rate request for State approval.

COST CLAIMING

The State participation will be automatic. Counties will be billed for their share of costs of any wages above the State maximum limit. The cost of benefits should be reported on the In-Home Supportive Services Program Public Authority/Nonprofit Consortium Invoice Administrative Costs, form SOC 448. The costs are to be reported on a quarterly basis to receive State and Federal Financial Participation in these costs. Please refer to ACL 98-20, ACL 99-68, and ACIN I-102-00 for instructions and a copy of the form. The SOC 448 must be submitted to CDSS Adult Programs Branch within

30 days after the end of each quarter. Please be sure to include all supporting documentation used to develop the expenditure amounts invoiced.

If you have any concerns or questions regarding this letter, please contact Alan Stoltmack, Chief, Adult Programs Branch at (916) 229-4582. Any questions pertaining to claiming and reimbursement of PA/NPC costs can be addressed to the Adult Programs Fiscal and Administrative Unit at (916) 229-4584.

Sincerely,

***Original Document Signed By
Donna L. Mandelstam on 8/30/01***

DONNA L. MANDELSTAM
Deputy Director
Disability and Adult Programs Division